

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7753

BILL NUMBER: HB 1222

NOTE PREPARED: Feb 22, 2005

BILL AMENDED: Feb 21, 2005

SUBJECT: Small Business Regulatory Coordinator.

FIRST AUTHOR: Rep. Koch

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

(A) It requires a state agency to assign a small business regulatory coordinator for each administrative rule proposed or adopted by the agency.

(B) It requires the agency to list the coordinator's contact information in certain published notices and rules.

(C) It requires the coordinator to:

- (1) serve as a liaison between the agency and small businesses subject to the rule;
- (2) provide guidance to small businesses in complying with the rule; and
- (3) keep a record of all comments, questions, and complaints received from small businesses.

(D) It requires the agency's director to submit an annual report to the Legislative Council and the Office of Economic Development concerning:

- (1) the number of comments, questions, and complaints received from small businesses; and
- (2) the agency's costs of providing the required services to small businesses;
during the state fiscal year.

(E) It provides that a small business that gives voluntary notice to an agency of a violation of a rule is immune from civil or criminal liability resulting from an agency action relating to the rule violation if the small business:

- (1) provides the notice within 45 days after discovering the violation;

- (2) acts promptly to achieve compliance and remediate the effects of the noncompliance; and
- (3) cooperates with any investigation by the agency.

(F) It provides that immunity is not available if:

- (1) the violation resulted in serious harm or endangered the public;
- (2) the small business received a competitive advantage; or
- (3) the small business has a pattern of rule violations.

(G) It provides that certain information provided by a small business relating to a rule violation is confidential.

(H) It provides that voluntary notice of a rule violation by a small business is not admissible as evidence, other than in an agency proceeding, to prove liability.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Small Business Regulatory Coordinator:* The bill is expected to increase administrative costs for agencies with rulemaking authority to provide small business regulatory coordinators and to compile the required reports. The funds and resources required could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the cost of providing small business regulatory coordinators and administration of rules process under the bill will depend on the administrative actions of the agency with rulemaking authority.

Background: The bill would require one small business regulatory coordinator with knowledge of, or experience with, the subject matter of the rule for each proposed or adopted rule. The bill would allow a staff person to be the coordinator for more than one rule, as long as the person has sufficient knowledge or experience for each rule assigned. Additionally, the agency director must prepare a report by November 1 each year that summarizes complaints, comments, and questions received; the resolution of any complaints or questions; the total number of staff serving as coordinators; the agency's cost of compliance; and a project budget to comply with the requirements of this bill during the next state fiscal year.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Agencies with rulemaking authority.

Local Agencies Affected:

Information Sources:

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